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**FINANCING OF THE SUPERVISORY AUTHORITIES
IN THE EEA**

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**CONTRIBUTION FROM BRANCHES OF EEA
INSURANCE UNDERTAKINGS**

The Insurance Supervisory Commission of the Republic of Lithuania recently contacted the CEIOPS Secretariat as it was considering the possibility of imposing a supervisory fee on branches of the insurance undertakings of other EU Member States which are established in the territory of Lithuania.

In order to ensure consistency throughout the EU in this field, the Lithuanian Insurance Supervisory Commission was keen to apply to branches established in Lithuania as far as possible similar conditions to those applied in other Host Member States. Lithuania was therefore very interested to know whether other CEIOPS Members and Observers:

- apply any supervisory fees in respect of the branches established in their territories by insurers from other Member States or EEA States;
- and if yes, how they calculate them.

The table produced by CEIOPS on the basis of the replies received is annexed to this paper.

Of the 25 EU Member States 22 replied. Two EEA States, Liechtenstein and Norway, also replied. The table shows that (as of October 2006) of the 24 responding States:

- 17 did not request any contribution from EEA branches;
- 7 did impose a fee, either in the form of a flat fee or as a certain percentage of premium income.

In the light of recent discussions on the respective roles of the home and host Member States, the Commission Services believe that it would be worthwhile for the EIOPC to consider this issue.

In particular, the Commission Services would welcome a first discussion on the following questions:

- **Why do certain Member States consider it necessary to impose a fee while others do not?**
- **What kind of supervisory tasks are carried out by host supervisors over branches in practice?**
- **Which costs does the supervision of branches impose on host supervisors?**
- **Why has a flat fee/certain percentage of premium income been chosen as the basis for calculating the supervisory fees imposed on branches?**
- **Are there also specific fees related to specific supervisory tasks?**
- **If so, what are those specific tasks?**